

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF
FACILITIES SECTION**



FINAL REPORT

AUGUST 6, 2009

M e m o r a n d u m

Date: August 6, 2009

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2008 COMMAND AUDIT REPORT OF FACILITIES SECTION

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887 (a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2008 Command Audit Report of the Facilities Section. The audit focused on the command's cash receipts, contracts, evidence, purchasing, reimbursable service contracts, advanced payments for predetermined services, and personnel records.

The audit revealed the command has adequate operations. However, a weakness was observed. This report presents a suggestion for management to improve its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific finding, recommendation, and other pertinent information in the report. The Facilities Section agreed with the finding and plans to take corrective action to improve its operations. The command is now required to provide quarterly updates to the Office of Inspections on the progress of their corrective action plan implementation until the command has resolved all deficiencies. Additionally, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887 (a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Staff; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Administrative Services Division; and the Facilities Section. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq. Furthermore, in accordance with the Governor's Executive Order S-08-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

Safety, Service, and Security

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The Office of Inspections would like to thank Facilities Section's management and staff for their cooperation during the audit. If you need further information, please contact Assistant Chief Ken Hill at (916) 843-3005.


M. C. A. SANTIAGO
Assistant Commissioner

cc: Office of the Assistant Commissioner, Staff
Office of Legal Affairs
Administrative Services Division
Facilities Section
Office of Inspections

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF FACILITIES SECTION

OFFICE OF INSPECTIONS, AUDITS UNIT

August 6, 2009

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2008 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. Administrative Services Division selected the Facilities Section.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations.

The audit scope period covered the twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the final six months of fiscal year 2007/08.

Based on the review of the Facilities Section's operations, this audit revealed it has complied with most operational policies. However, a weakness was observed. The following is a summary of the identified weakness:

Personnel

- Some of the command's field personnel files did not contain an updated employee photo or current evaluation in accordance with departmental policy.

Please refer to the Finding and Recommendation section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. Administrative Services Division selected the Facilities Section.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the evaluation is to determine if the command has complied with operational policies and procedures that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the final six months of fiscal year 2007/08. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from November 17 - 21, 2008.

METHODOLOGY

Each Division commander selected one command to be audited regarding their cash receipts, contracts, evidence, purchasing, reimbursable service contracts, and advanced payments for predetermined services. Additionally, the Division commander could select any of the following topics: asset forfeiture, fleet operations, personnel records, and strategic plan reporting. The Administrative Service Division commander selected personnel records. When preparing for the audit, and due to limited auditing resources, reimbursable service contracts was reduced to an examination of the Driving Under the Influence (DUI) Cost Recovery Program and advanced payments for predetermined services was reduced to Wide Load Services. Also, the audit of evidence was limited to guns, drugs, and money. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command. Furthermore, the auditors reviewed prior audit reports and findings.

OVERVIEW

Cash Receipts: The command does not maintain cash receipts.

Contracts: The command maintains contracts. However, the scope of this audit of contracts was limited to those belonging to the command and not contracts maintained by the command on behalf of the CHP.

Evidence: The command does not maintain evidence.

Purchasing: The command maintains purchase orders documentation. Purchases appear to be handled according to departmental policy.

Reimbursable Service Contracts: The command does not handle DUI Cost Recovery cases; thus, it has no DUI Cost Recovery Program responsibilities.

Advance Payments for Predetermined Services: The command does not handle Wide Load Services; thus it has no Wide Load Services responsibilities.

Personnel Records: Personnel records appear to be processed according to departmental policy, but could be improved. Some of the command's field personnel files did not contain an updated employee photo or current evaluation in accordance with departmental policy.

This audit revealed the command has adequate operations, nevertheless, a weakness was discovered, which if left unchecked could have a future negative impact on the command and Department operations. This weakness should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The finding and appropriate recommendation are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDING AND RECOMMENDATION

PERSONNEL RECORDS

FINDING: Some of the command's field personnel files did not contain an updated employee photo or current evaluation in accordance with departmental policy.

Condition: The command is responsible for approximately seventeen employees. A total of ten field personnel files were audited. The examination of the randomly selected personnel files revealed, two field personnel files did not contain a current employee photo. Also, seven field personnel files did not contain a current employee performance appraisal.

Criteria: Highway Patrol Manual (HPM) 10.3, Chapter 30, Personnel and Medical Files, paragraphs (Personnel File Contents) 10.c.(2)(a)1 and 10.d.(2)(a)1 states, "Current photograph of employee: one affixed to the CHP 270, Service Record; one placed in a separate envelope within the folder. The photograph affixed to the CHP 270, Service Record, shall be replaced with an updated photograph every five years."

HPM 10.3, Chapter 30, Personnel and Medical Files, paragraph (Personnel File Contents) 10.c.(3)(a) states, "CHP 118, Performance Appraisal, or Probationary Reports. (Includes all reports of performance; e.g., probationary reports, annual evaluations, and interim reports.)"

HPM 10.3, Chapter 30, Personnel and Medical Files, paragraph (Personnel File Contents) 10.d.(3)(a) states, "CHP 118, Performance Appraisal. (Includes all reports of performance; e.g., annual evaluations, and interim reports.)"

Recommendations: The command should ensure all their field personnel files are reviewed, updated, and maintained properly as required by departmental policy.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations. However, a weakness was observed. This report presents a suggestion for management to improve on its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

Memorandum

Date: May 22, 2009

To: Office of the Assistant Commissioner, Inspector General

From: DEPARTMENT OF CALIFORNIA HIGHWAY PATROL
Administrative Services Division

File No.: 070.11012.Auditreportresponse

Subject: 2008 COMMAND AUDIT REPORT OF FACILITIES SECTION
CORRECTIVE PLAN

Facilities Section has reviewed the attached Command Audit report from the Office of the Assistant Commissioner, Inspector General regarding the November 17 – 21, 2008 audit. The Audit report identified the following finding:

"The command did not adequately review their field personnel files, nor did they properly maintain the files."

Facilities Section understands and agrees with the finding. To rectify the finding, Facilities Section has established the following corrective plan to ensure the finding will not reoccur:

- All overdue personal evaluations will be completed by June 30, 2009.
- A master list of all employee's has been created, to include due dates for all personnel evaluations. This list will be suspended to ensure timely completion of all personnel evaluations.
- The CHP form 137CN, Field Personnel Folder Annual Review (Nonuniformed), will be utilized during the personnel evaluation process to ensure all personnel files are current.

Facilities Section understands the importance of the personnel evaluation process and will ensure all requirements are met. If you should have further questions regarding this issue, please contact Captain Scott Lynch at (916) 375-2940. >


L. A. PAOLINI, Chief

Attachment

cc: Facilities Section

Safety, Service, and Security

ANNEX

B

M e m o r a n d u m

Date: July 8, 2009

To: Administrative Services Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Facilities Section

File No.: 078.11012.auditresponsepersonnelevaluations

Subject: **FACILITIES SECTION AUDIT RESPONSE FOR PERSONNEL
EVALUATIONS**

Facilities Section has completed all personnel evaluations which were identified as due or delinquent. There are two employees who have not signed their evaluation due to scheduled vacation. These employees are [REDACTED] and [REDACTED]. They will receive their evaluation upon return from vacation. Facilities Section utilized the CHP form 137CN, Field Personnel Folder Annual Review (Nonuniformed), to ensure all personnel files are accurate and current. A master list of all employees' personnel evaluations was created and is attached to this document. There are some minor changes to the form as through the process some anniversary dates were found to be in need of correction.

If you should need additional information or have any questions, please contact me at (916) 375-2940.



M. S. LYNCH, Captain
Commander

Attachment

Safety, Service, and Security

Performance/Probationary Reports

Performance Evaluations

| Supervisor | Name | Anniversary Date | Due Date | Completed Date |
|------------|------------|---------------------|----------|-------------------|
| [REDACTED] | [REDACTED] | 10/24 | 12/29/08 | 06/16/09 |
| [REDACTED] | [REDACTED] | 01/02 | 02/01/09 | 06/16/09 |
| [REDACTED] | [REDACTED] | 01/01 | 02/01/09 | 06/24/09 |
| [REDACTED] | [REDACTED] | 12/01 | 02/01/09 | 07/01/09 |
| [REDACTED] | [REDACTED] | 02/29 | 03/01/09 | 06/24/09 |
| [REDACTED] | [REDACTED] | 03/16 | 04/16/09 | 06/23/09 |
| [REDACTED] | [REDACTED] | 04/22 | 05/22/09 | 06/16/09 |
| [REDACTED] | [REDACTED] | 05/23 | 06/23/09 | Pending VAC |
| [REDACTED] | [REDACTED] | 06/04 | 06/30/09 | 06/24/09 |
| [REDACTED] | [REDACTED] | 05/30 | 06/30/09 | 07/01/09 |
| [REDACTED] | [REDACTED] | 10/03 | 08/04/09 | |
| [REDACTED] | [REDACTED] | 08/10 | 09/10/09 | |
| [REDACTED] | [REDACTED] | 08/30 | 09/30/09 | |
| [REDACTED] | [REDACTED] | 11/01 | 12/01/09 | |
| [REDACTED] | [REDACTED] | 12/01 | 01/01/10 | |
| [REDACTED] | [REDACTED] | 12/04 | 01/04/10 | |
| [REDACTED] | [REDACTED] | 09/08 | 09/26/10 | Pending VAC |

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Probationary Report

| Supervisor | Name | 1 st Report | 2 nd Report | Final Report | Completed |
|------------|------------|------------------------|------------------------|-----------------|-----------|
| [REDACTED] | [REDACTED] | 06/26/09 | 08/26/09 | 10/26/09 | 06/24/09 |
| [REDACTED] | [REDACTED] | 02/28/09 | 06/30/09 | 10/30/09 | 07/01/09 |
| [REDACTED] | [REDACTED] | 07/31/09 | 09/30/09 | 11/30/09 | |

Due to ASD

| | |
|-------------------------|--------------------------|
| 1 st Quarter | April 15 th |
| 2 nd Quarter | July 15 th |
| 3 rd Quarter | October 15 th |
| 4 th Quarter | January 15 th |

ANNEX

C

COMMENTS

To provide clarity and perspective, the number in the margin below correspond to the number placed in the Facilities Section's response.

Facilities Section's response attachment contains the names of employees and supervisor's initials and shows the current performance evaluation status as of July 29, 2009. The attachment demonstrates the Facilities Section has established a tool to assist in mitigating the finding. Since the individual employee's name and supervisor's initials are not pertinent, these names and initials have been redacted. The unaltered response will be placed in the audit file.

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